Message Text

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ALSO FOR USEEC AND USOECD

E.O. 11652: N/A TAGS: ENRG, NL

SUBJECT: DUTCH DISCUSS LANDING SITE FOR IMPORTED ALGERIAN LNG

REF: A) 77 THE HAGUE 5741, B) THE HAGUE 1328

1. SUMMARY. CONTROVERSY STILL RAGES OVER SELECTION OF SITE FOR LANDIN ${\bf G}$

LNG IN THE NETHERLANDS. MAASVLAKTE/ROTTERDAM HAS MAJOR ECONOMIC ADVANTAGES BUT IS DOGGED BY SAFETY CONCERNS. THE EEMSHAVEN/DELFZIJL SITE IN THE NORTH IS SUPPORTED BY LOCAL AUTHORITIES BUT WOULD ADD TO TRANSPORT AND DISTRIBUTION COSTS. THE GOVERNMENT HAS PROMISED A DECISION BY AUGUST 22. END SUMMARY.

2. IN OCTOBER 1977 NETHERLANDS CONCLUDED 20 YEAR CONTRACT FOR DELIVERY OF 80 BILLION CUBIC METERS OF NATURAL GAS, COMMITTING ITSELF TO INFORM SONATRACH BEFORE OCTOBER 31, 1978 OF DUTCH SITE CHOSEN FOR LANDING LNG (REF. A). FOR ECONOMIC UNCLASSIFIED

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REASONS DISCUSSIONS INITIALLY FOCUSED ON MAASVLAKTE AREA BELOW ROTTERDAM. THE HARBOR'S LARGE GAS AND OIL STORAGE FACILITIES AND ITS RECENTLY COMPLETED NATURAL GAS LIQUIFICATION PLANT MADE MAASVLAKTE FAVORED SITE OVER EEMSHAVEN/DELFZIJL NEAR GRONINGEN IN THE NORTH OF THE COUNTRY (REF. B). OTHER ALTERNATIVES RANGED FROM CONSTRUCTION OF DAMS AND BREAKWATERS TO CONSTRUCTION OF ARTIFICIAL ISLANDS IN

NORTH SEA, BUT ALL THESE WERE REJECTED BECAUSE OF EXCESSIVE COSTS.

3. IN SPITE OF ITS ECONOMIC ADVANTAGES. THE MAASVLAKTE/

ROTTERDAM SITE HAS BEEN DOGGED BY PERSISTENT WORRIES OVER ITS SAFETY. CRITICS CLAIM THAT THE SITE, PERCHED AS IT IS ADJACENT TO HEAVILY POPULATED SOUTH HOLLAND AREA, HAS SERIOUS POTENTIAL FOR A MAJOR DISASTER.
IN MARCH 1978 THE VARIOUS RESPONSIBLE AUTHORITIES IN THE SOUTH HOLLAND AREA WERE INVITED TO EXPRESS THEIR VIEWS ON THE POSSIBLE CHOICE OF THE MAASVLAKTE FOR LNG OPERATIONS. THE ADVICE OFFERED WAS SHARPLY CONFLICTING. THE ROTTERDAM MUNICIPALITY FAVORED BOTH THE LANDING AND STORAGE OF LNG, THE RIJNMOND COUNCIL APPROVED STORAGE OF LNG BUT REJECTED ITS LANDING, AND THE EXECUTIVE COUNCIL OF THE PROVINCE OF SOUTH HOLLAND REJECTED BOTH STORAGE AND LANDING AND CALLED FOR FURTHER STUDIES OF DAMS AND ISLANDS IN THE NORTH SEA.

4. IN CONTRAST TO CONTINUING CONTROVERSY IN SOUTH HOLLAND, GRONINGEN PROVINCE HAS UNAMIMOUSLY SUPPORTED THE EEMSHAVEN/DELFZIJL SITE FOR LNG LANDINGS AS A NEED STIMULUS FOR INDUSTRIAL DEVELOPMENT AND REGIONAL EMPLOYMENT IN THE DEPRESSED NORTH. IN RESPONSE TO STRONG POLITICAL PRESSURE FROM TRADE UNIONS, THE GOVERNMENT HAS NOW ACCEPTED EEMSHAVEN AS A SERIOUS CANDIDATE DESPITE HIGHER TRANSPORT UNCLASSIFIED

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COSTS AND NAUTICAL LIMITATIONS ON SIZE OF LNG TANKERS.

5. GON HAS NOW ANNOUNCED THAT DISCUSSIONS WITH BOTH THE SOUTH HOLLAND AND GRONINGEN AUTHORITIES WILL BE CONTINUED. CONSULTATIONS WITH GERMAN AUTHORITIES MAY ALSO BE NECESSARY SINCE CHOICE OF EEMSHAVEN WOULD HAVE IMPACT ON TRAFFIC ENROUTE TO EMDEN. GON STATES THAT A FINAL SITE SELECTION WILL BE MADE BY AUGUST 22 TO BE FOLLOWED BY PARLIAMENTARY DEBATE IN SEPTEMBER. SHOULD LNG LANDINGS IN NETHERLANDS BE REJECTED FOR POLITICAL OR TECHNICAL REASONS, NEDERLANDS GASUNIE N.V., THE SOLE DUTCH NATURAL GAS DISTRIBUTOR, WOULD HAVE TO TRY TO DIVERT THE ALGERIAN LNG TO WILHELMSHAVEN ST. NAZAIRE, OR A POSSIBLE SITE IN BELGIUM WHICH WOULD ADD TO ALREADY HIGH TRANSPORT COSTS OF IMPORTED LNG.

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